

SCHEDULE PD – CONSOLIDATED PAST DUE AND NONACCRUAL

*Throughout these instructions, **you** and **your** refers to the reporting savings association and its consolidated subsidiaries; **we** and **our** refers to the Office of Thrift Supervision.*

Report all loans and leases that you own that are contractually past due or are in nonaccrual status, regardless of whether such loans are held for sale or are secured, unsecured, or guaranteed by the Government or by others, with the exception of those noted below. Report the entire loan, not simply the amount of the delinquent payment. You should report the balance of the recorded investment after deducting **specific** valuation allowances. **Recorded investment** is the principal balance, adjusted for charge-offs and unamortized yield adjustments.

Do not include:

Delinquent FHA, FmHA, or VA 1-4 dwelling unit, residential mortgages in foreclosure status that you purchased from a Ginnie Mae pool (rather than continuing to make monthly advances on them) and that you service for others provided the process of reimbursement by FHA, FmHA, or VA is proceeding normally.

PAST DUE

1. Do not take grace periods into account when determining past due status.
2. Report loans and lease financing receivables as past due when **either interest or principal** is unpaid in the following circumstances:
 - a) **Amortizing closed-end** mortgage loans, closed-end nonmortgage installment loans, and any other loans and lease financing receivables with:
 - i) **Payments scheduled monthly** – when the borrower's interest and/or principal amount is past due thirty or more days (or one calendar month). For example, a loan payment is due March 15th. At March 31, the loan is not a full month past due, so it would not be reported in Schedule PD until after April 15th. On April 30 it would be 30 – 89 days past due.
 - ii) **Payments scheduled other than monthly** – when one scheduled payment of interest and/or principal is due and unpaid for 30 calendar days or more.

- b) **Open-end loans** such as home equity loans, charge-card plans, check credit, and other revolving credit plans when the customer has not made the **minimum** payment for two or more billing cycles.
- c) **Single payment and demand notes** providing for the payment of interest at stated intervals (such as certain construction loans) after one interest payment is due and unpaid for 30 days or more.
- d) **Single payment notes** providing for the payment of interest at maturity if interest or principal remains unpaid for 30 days or more after maturity.
- e) **Unplanned overdrafts** if the account remains continuously overdrawn for 30 days or more.

You may use actual days as stated in the schedule headings in lieu of months when you calculate the past due period. The following example uses months to prepare Schedule PD. In this example, the payment is due on the first of the month and the first payment missed is the one due January first.

<u>Payment Due Date</u>	<u>Payments Missed</u>	<u>Actual Days Overdue At Month-End</u>	<u>Complete Months Overdue At Month-End</u>	<u>PD Category At Month-End</u>
Jan 1	(one)	30	0	Under 30 Days
Feb 1	(two)	58	1	30 - 89 Days
March 1	(three)	89	2	30 - 89 Days
April 1	(four)	119	3	90 Days or More

In the March TFR you would report this loan in the 30-to-89-day category.

Partial Payments for Amortizing Closed-end Loans:

When borrowers make partial payments, they get credit for the amount of payment they make, so the loan will generally not be reported as past due until two or more months of partial payments have been made.

For example:

If the payment due were \$100 and the borrower, due to a temporary condition, only paid \$25 a month, the loan would be \$75 past due at the end of the first month, \$150 past due the second month, and \$225 past due the third month.

If the loan were due on January 1, the loan would be \$75 past due on February 1 (and February 28), \$150 past due on March 1 (and March 31), and \$225 on April 1 (and April 30). On the March 31 TFR, the loan would be more than 30 days delinquent and would be reported as 30-89 days past due on Schedule PD.

Likewise, if the borrower paid \$50 a month, the loan would be \$50 past due on February 1 (and February 28), \$100 past due on March 1 (and March 31), and \$150 on April 1 (and April 30). Again, on the March 31 TFR, the loan would be 30 days delinquent and reported as 30-89 days past due.

However, if the borrower paid \$51 a month, the loan would be \$49 past due on February 1 (and February 28), \$98 past due on March 1 (and March 31), and \$147 on April 1 (and April 30). Therefore, on the March 31 TFR, the loan would be less than 30 days delinquent and would not be reported as past due.

Restructured loans:

You need not maintain a loan in nonaccrual status where you have formally restructured the loan so that you are reasonably assured of repayment and of performance according to the modified terms, provided the restructured loan is well secured and collection under the revised terms is probable. To determine

probability of collection, consider the borrower's sustained historical repayment performance for a reasonable period, which may take into account performance prior to restructuring. A sustained period of repayment performance generally would equal a minimum of six months and would involve payments of cash or cash equivalents.

Do not include:

1. Loans on which interest is being accrued for record-keeping purposes but not for reporting purposes.
2. Accrued interest and advance payments of borrowers' taxes and insurance unless they have been capitalized to the loan balance.
3. Deductions for allowances for loan and lease losses (ALLL) or the assumed liability of wrap-around loans applicable to such loans.

NONACCRUAL

Report loans on which you no longer accrue interest.

Interest does not accrue on:

1. An asset that you maintain on a cash basis due to the borrower's deteriorating financial position.
2. An asset for which you do not expect to receive full payment of interest or principal.
3. An asset with principal or interest in default unless the value of the property securing the loan exceeds the receivable balance, including principal, interest, and escrows, and collection is probable.

MORTGAGE LOANS:

PD115, 215, and 315: Construction

Report loans included on SC230 through SC240, Construction Loans.

Permanent, Secured by:

PD120, 220, and 320: 1-4 Dwelling Units

Report loans included on SC250 and SC253, Permanent Mortgages on: 1-4 Dwelling Units.

PD125, 225 and 325: 5 or More Dwelling Units

Report loans included on SC256, Permanent Mortgages on: 5 or More Dwelling Units.

PD135, 235, and 335: Nonresidential Property (Except Land)

Report loans included on SC260, Permanent Mortgages on: Nonresidential Property (Except Land).

PD138, 238, and 338: Land

Report loans included on SC265, Permanent Mortgages on: Land.

NONMORTGAGE LOANS AND LEASES:**PD140, 240 and 340: Commercial**

Report loans and leases included on SC300 through SC306, Nonmortgage Loans: Commercial Loans.

Consumer Loans:**Closed-End:****PD161, 261, and 361: Loans on Deposits**

Report loans included on SC310, Consumer Loans: Loans on Deposits.

PD163, 263, and 363: Home Improvement Loans

Report loans included on SC316, Consumer Loans: Home Improvement Loans.

PD165, 265, and 365: Education Loans

Report loans included on SC320, Consumer Loans: Education Loans.

PD167, 267, and 367: Auto Loans

Report loans included on SC323, Consumer Loans: Auto Loans.

PD169, 269, and 369: Mobile Home Loans

Report loans included on SC326, Consumer Loans: Mobile Home Loans.

PD170, 270, and 370: Other, Including Leases

Report loans included on SC330, Consumer Loans: Other, Including Leases.

Open-End:**PD175, 275, and 375: Revolving Loans Secured by 1-4 Dwelling Units**

Report loans included on SC340, Consumer Loans: Revolving Loans Secured by 1-4 Dwelling Units.

PD178, 278, 378: Credit Cards and Related Plans

Report loans included on SC345, Consumer Loans: Credit Cards and Related Plans.

PD10, 20 and 30: Total

The EFS software automatically computes these totals as the sum of PD115 through PD178 on PD10, the sum of PD215 through PD278 on PD20, and the sum of PD315 through PD378 on PD30.